

THE LAWYERS' VACATION.

The vacation of two weeks agreed upon by the lawyers, was altogether too short a period. As a new departure it was a politic measure to fix it for a short period, but in the coming years, it should be extended to two and three months. This can be done, if the business community is properly educated to accept it. The lawyers in the busy cities and towns of the Mainland, are gradually extending the vacation time to even three months, those of July, August and September. The courts all setting the example.

There is no desire to avoid work in extending these vacations, but rather a desire to do better work. The strain on professional men is now so hard, it results in the premature decay of many of them. Worse than this, it is known that of late, the professional men overtaxed by work, resort to stimulants in order to meet emergencies. The head of a well organized business concern does less active business as he grows older, because the mechanism of the business can be conducted by younger men. With the professional men, on the contrary, increase in age brings increase in serious business, and it is not easy for them to share their responsibilities with others. The professional relation is confidential and cannot be delegated as a rule.

Long resting periods are necessary in these days of unnatural activity, and the professional men should secure them.

As there are no distinct seasons in these islands, it will not be easy to establish a closed season, but the need of it is nevertheless great, especially for the white man who can keep his brain up to its best work only by keeping his physical power in the best condition.

A CURIOUS TRANSACTION.

An item in another column regarding the renewal of the lease of the Volcano house premises, indicates a commercial transaction with a peculiar local and volcanic flavor.

It is well known that the valuable "active" assets of the Volcano Hotel Company, are the eruptions in the crater of Kilauea, and on the slopes of Mauna Loa. Without these disturbances the hotel has few attractions, so that it has been the liberal policy of the company to encourage rather than suppress eruptions and the officers of the company have made it a practice to become confidential with those who have the arrangement of the outbreak.

These active assets of the Volcano House Company have, for several years greatly declined in value, and pessimists have spoken of them as extinct assets in the near future and have boldly predicted that on the balance sheet of the company, they would soon be marked off to the profit and loss account, or in commercial slang be turned into the "cats and dogs" account.

While the volcanic industry was in this depressed condition, the lease of the hotel premises was about to expire, and negotiations were begun with the exemplary and wary trustees of the Bishop estate for a renewal of it, and these negotiations have been pending for some months. But they were suddenly brought to a head several days before the outbreak on Mauna Loa by the sudden exertions of Mr. E. C. Macfarlane, and the new lease for twenty-two years was granted by the trustees. It now appears that there were suspicious circumstances connected with the transaction, which if true, should invalidate the lease.

In order to obtain better terms for the company, in the new lease, Mr. E. C. Macfarlane is said to have strongly represented to the trustees that the lack of respectable eruptions for some years had reduced the business of the company, so that insolvency was near at hand, and in his opinion there would be no eruptions for some years to come, and that it would be an unconscionable piece of business for the trustees to exact the same rental from non-eruptive years as from actively-eruptive premises.

Mr. Macfarlane is said to have submitted some intricate mathematical calculations which demonstrated with mathematical certainty that there could be no eruptions on Hawaii for at least a period of ten years. The trustees called his attention to Mr. Lyons' suggestion publicly made in May, that there ought to be outbreaks in 1900 or 1901. To this Mr. Macfarlane replied that Mr. Lyons' statements were those of only a "missionary," and this comment seemed to have great influence with the trustees. By repeating his assertions that eruptions were now "back numbers," and by the use of tears, and other well-known appliances, including allusions to the distress which would be inflicted on widows and orphans, who held stock

in the company, if the annual rate was not lowered, Mr. Macfarlane prevailed on the trustees to sign and deliver a new lease for a long period, at a reduced rental.

Two days after the new lease was signed the outbreak began on Mauna Loa, and the assets of the Volcano House Company became very active, and extremely valuable. The trustees have been deceived. Mr. W. O. Smith, a very sagacious trustee, goes to Hilo today in order to make investigations which may expose the gross fraud of the hotel company. The trustees are justified in entering upon their record book this resolution: "Whereas the Trustees of the Bishop estate have been played for suckers by one E. C. Macfarlane whereby he has obtained undue advantages over this estate, by concealing knowledge of a coming eruption in negotiating a certain lease it is hereby resolved that steps be taken at once to protect the rights of the estate."

The Advertiser, in the interests of peace, advises a compromise of the matter. While Mr. Macfarlane may be guilty of gross "scoundgery" in representing that there would be no eruptions, it was done in the interests of the public, who insist on the keeping of a good hotel above Kilauea. Besides the public rather enjoys it, when the fingers of the trustees of the estate are burnt a little.

GUTTER-SNIPES.

Among business men, there is no more useful class than the brokers in merchandise, shipping, exchange and in stocks. They serve as agents in equalizing prices, and in making commercial and financial markets steady. The needs of modern trade raise the value of the brokers' services in the community to an extent that the sudden disappearance of this class would entirely disarrange the methods of business and cause irreparable loss.

Responsible and reputable brokers, however, always have as neighbors some disreputable brokers, especially on the stock exchanges, who do not hesitate to make any statements, however false, to the unfortunate persons whose business they have obtained. In the large cities these irresponsible brokers are often called "gutter snipes," because they carry their offices in their hats, and spend their time in the streets picking up "points" about stocks, and picking up customers as well. They live upon the commissions they make, and in order to make commissions are quite ready to deal in glowing accounts of values in order to encourage investments. It would be unjust to say that the gutter-snipe is dishonest. He does not intend to deceive his customers, but he wishes to get his commission, and in trying to get it, either makes loose statements, or gives an opinion as to the course of the market, which really has no value, but strongly influences the "tenderfoot" in the stock market, and especially leads astray the widows and the orphans.

The responsible brokers, those who confine themselves strictly to the business of buying and selling, give to their customers such information as they may be able to obtain, but they do not recommend speculative investments, because they assume a heavy moral responsibility whenever they do so.

Even the honest brokers are under the strongest temptation to advise customers as to the value of stocks which have no really assured value, but are subject to rapid changes in price, while growing in value. The brokers, with long experience, stoutly resist this desire of the ignorant customer to operate on the brokers' advice, because the commissions they earn in any transaction do not pay them for the moral responsibility of making purchases which may bring much misery to a customer. They know that in dealing in stocks which are not dividend paying, there is more or less uncertainty, and their values are subject to influences which no one can know positively about, under any circumstances.

In the matter of investments in stocks, however valuable they are, the average customer is entirely unfitted to pass judgment upon their merits, and generally listens to the voice of the crowd, and follows it. For this, no broker is responsible. But the gutter-snipe has one object only in view, that of making a market for stocks, irrespective of their merits, and in doing so, as a rule, has very positive judgments about the course of prices, which the cautious capitalists do not have. Then the customers are the sufferers.

It is the truth that there are brokers in our local stock market, who are most reputable men, but the gutter-snipes will always be about, who make irresponsible statements, and mislead the tenderfoot investors. They are the terror of the widows and the orphans, who are always looking for that impossible combination, a "glit edged" security which pays a high rate of interest. The gutter-snipe always knows where the combination may be had, although the experienced capitalist does not.

ITALIAN LABOR.

The Italian government will not be influenced in its attitude towards the emigration of Italians to Hawaii by the San Francisco Labor Council. That government is aware of the laws which prevail here, and of the policy of the United States regarding contract labor.

Whether the planters are wise in connecting in any form the Italian government with the proposed emigration of laborers to Hawaii, is not so clear. Owing to the peculiar laws of the United States regarding contract immigration any aid of any kind given to the emigrants, by the Italian government may be treated as assisting immigration which is illegal. The Italian dealers and brokers who deal in the labor supply for the Mainland are able to manage the affair successfully, if it can be managed at all. Any immigrants who pass through the Mainland on their way to these islands will be sorely tempted to desert, and no doubt the Labor Council of San Francisco will use personal influence on the individual immigrant in order to keep him from fulfilling his contract. The class of labor such as the Italian laborers furnish commands a higher price on the Mainland than it does here. It will require skillful ways to bring the laborers through without an attempt by our fellow citizens of the United States to get them away from us.

IGNORANCE ABOUT OUR INDUSTRY.

Minister Damon, in a recent interview, which was published in the Star, repeats and confirms a statement often made that the business men of San Francisco and the eastern cities know little or nothing about our plantation values, and of the prosperity of our sugar industry. Because of this ignorance they are unwilling to invest in our sugar securities. The result is that our main industry stands on the very narrow basis of local support.

The investing public on the Mainland does not, as a rule, place its money on the faith of newspaper reports.

The majority of investments are made through the personal and confidential relation. A. will not invest a dollar on the word of any journal, because journals are notoriously inaccurate in statement, but he will stake his money on what B. who is his personal friend, tells him is a good thing, or upon the statements of a banking house, because he has had dealings with it and has confidence in its honesty.

The course of investments on the Mainland has a curious and instructive history. It displays the effect of personal acquaintance in business.

For instance, forty years ago a few Boston men were induced to lend money in the city of Chicago. It proved to be profitable and safe. A few investments were then made by other Boston men in Chicago real estate. These proved also to be profitable. Gradually the Boston capitalists became familiar with values in Chicago, and the result of this gradual process of education was that any person living in Chicago, who desired the loan of money to be secured on values in that city, could obtain it at once in Boston. But he could not obtain it in New York where the reserved capital is vastly greater than in Boston, because the New York capitalists and bankers had little personal acquaintance with Chicago values. So it is said that "Chicago was built up on Boston capital," and the simple cause of this fact was the personal knowledge that the Boston men had of Chicago interests.

A young man living in one of the mining states thirty years ago and in need of capital, solicited the business men of Providence, R. I., to invest in his mining stocks, but he asked of each of these merchants a subscription of only \$50 for ten shares of the stock of this company. These small subscriptions he readily obtained and in a short time had two hundred subscribers to the stock. Having secured this capital readily, he developed one of his mines to a dividend paying point, and the honest dividends permitted to the stockholders served to educate them into a belief that mining did pay and that the manager of this mine could be implicitly trusted.

This shrewd manager continued for several years to educate these men, by small and honest dividends, to a belief that his mines were really good investments. When he, therefore, appeared with projects involving several millions of dollars, he found the money was thrust upon him by hundreds of people.

The great majority of the promoters of schemes, however valuable they are, fail in promoting, because they are ignorant of the true methods of obtaining the confidence of the public. Nothing educates a business man so thoroughly in the values of a business as an ownership in it, however slight it may be. The least ownership arrests the attention and the lesson of a dividend is not forgotten.

The sudden expansion of new plan-

tations raised the volume of our securities beyond the capacity of the home market. Even the money market of San Francisco would not absorb them at once, if they had been placed there in the first instance. A gradual education of the mass of the people, through small holdings, would in the long run bring out the money that is carefully hoarded.

It would place the business interests of these islands on a more satisfactory basis, if the sugar stocks were placed on the list of an eastern stock exchange. To do this successfully requires much good management, and powerful co-operation among the holders of stock. It is doubtful whether there is patience enough in the community to stand by such a project. There is abundance of money in the Mainland which will be loaned or invested to any amount on our sugar stocks provided only we take the steps to secure confidence in them.

NOT A PROPHET.

Mr. Curtis J. Lyons has had a very narrow escape from being enrolled among the only reliable prophets of the world. He has sacrificed himself to his extreme modesty, and must continue in the ranks of the old "Probabilities" who are engaged in predicting, with qualifications, the course of physical events.

In May last, he said, "It is reasonable for us to look for a probable lava flow at some time between now and 1901," and further qualified this moderate outlook by saying that "it was not a prediction, but a statement of facts."

Looking at the matter from the standpoint of the "hind sight" which has decided advantages over the "fore-sight" in human affairs, Mr. Lyons has been too frank with the public. If he had stripped his statement of all qualifications, and with a bold mental unscrupulousness, simply stood on a bold prediction of a lava flow, he would now occupy a position supremely above the Almanac prophets, and the lesser prophets of the Weather Bureau who deal only in probabilities. Even if the outbreak on Mauna Loa, did not happen until after 1901, he would have been in no worse position than the prophets of the Millerite persuasion, who foretold to a day the ending of the world, and when it did not end, according to calculations, merely replied that some miserable clerk had made an error in the figures, and without embarrassment they fixed another day. If Mr. Lyons had adopted modern business methods in describing the volcanic outlook, he would not now be wearing the fifth rate decorations of the Order of Probabilities, but would be in receipt from all of the scientific societies of the world of the Grand Cross of the Order of the Infallible Prophets, and even the Shah of Persia would decorate him with the Order of the Ripe Watermelon, which he confers only on omniscient creatures.

The skill with which he suggested the outbreak may be due primarily to the fact that he was born not far from Mauna Loa, and that pre-natal tendencies due to this fact, have given him some miraculous gift of foretelling volcanic events just as birds foretell storms. It is far within the domain of psychology, and the mysterious relations of mind to matter that through his birth he holds certain occult relations with the mystic forces of Nature, and with levers and screws he is able to extort her secrets. While the rest of us see only the outer shell, he seems to know the combination which unlocks her doors. What should have been an uncompromising prophecy, he lowered to a very common probability.

Mr. Lyons suggests that there may be some connection between the sun spots and volcanic outbreaks. This is hardly a tenable proposition. The extinction of the volcanoes on all of the islands, excepting Hawaii, indicates that the sun spots are now worthless as astral forces, and are no better than "old junk" in pumping up lava. It is much more probable that powerful electric rays emitted from the active Star of Empire, since the act of annexation, have caused the disturbance, for every outbreak and flow increases the area or bulk of American territory. Mr. Lyons knows more about this affair than he chooses to tell. He is undoubtedly waiting for Congress to extend the Constitution of the United States to these islands, and when that is done he may think it will be safe to give us more definite information.

STEEL TRACK WAGON ROAD.

The Department of Agriculture, in Washington, has recently published a paper written by Martin Dodge on the subject of "steel track wagon roads."

Mr. Martin was for some time the State highway commissioner of Ohio. The county commissioners of Cuyahoga county of that State authorized him to lay a track of steel wagon strips 500 feet long near the city limits of Cleveland. This has been done, but the experiments upon it had not been finished at the time the paper was

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published by the Department. The Secretary of Agriculture had, however, secured an opportunity for making a test of this method at the Omaha Exposition.

The steel plates are eight inches wide, one inch in thickness. The road bed is macadamized. Mr. Martin estimates the cost of the steel plates or flat rails to be about \$500 per mile, and the cost of the road bed \$1500 more, so that the total cost of a complete steel track wagon road would be about \$2000 per mile. The cost, therefore, should not be greater than any hard and durable road.

The power required to move vehicles over such a road is only a fraction of the power required to move the same vehicle, over a common road. Experiments made on the track laid on the Exposition grounds at Omaha, showed that while it required twenty horses to draw eleven tons over a common road, one horse drew without difficulty the same weight of eleven tons over a steel track road.

Where the grades are steep, it is intended that the tracks shall be corrugated.

The adoption of this method of road making would gradually change the construction of vehicles. The gauge would be made narrower, the centre of gravity would be lowered, and the vehicle itself would be much lighter.

The use of the horseless carriage will soon become general. It has nearly passed the experimental period. For this carriage, the steel-tracked road is especially adapted.

The experiments made on the new road in the neighborhood of Cleveland will be very instructive.

THE CONSTITUTION AND PORTO RICO.

The gentlemen who are so indignant over the decision of our Supreme Court, because it sustained the Newlands' resolution of annexation, which virtually declares that the Constitution does not extend to these islands, find cordial sympathisers in the Porto Rico commissioners in Washington who persist in urging that the Constitution extends to Porto Rico, because that island has been ceded to the United States, and is a part of the American territory. Their argument is almost identically the same as the argument advanced by our local pro-constitutionalists, namely, the United States owns the island, and therefore the Constitution covers it.

But President McKinley refuses to agree with them, and holds the same views taken by our local Supreme Court, that the Constitution does not cover the island. There are scores of able lawyers on the Mainland, who think the President don't understand the Constitution, and that somebody ought to correct him. But scores of able lawyers on the other hand believe that he is right in his judgment. The argument in favor of the extension of the Constitution is certainly very strong, but the argument on the other side is equally strong.

So the President, with good sense, holds that the extension of the Constitution to either Porto Rico, the Philippines or Hawaii is more of a political than a judicial question, and that Congress, and not the Supreme Court, must decide the case.

It is claimed also, with much force, that the Constitution extends to the Philippines because they are now American territory. But the President declines assent to the argument, and holds that whether it does or does not, is a question for Congress, and not for the courts to decide.

It is said, on good authority, that the government in Washington, is gratified with the decision of our Supreme Court. On the open sea of legal uncertainty, the judges are much safer if they take seats in the President's boat, instead of trusting to the raft of the pro-constitutionalists, who do not pull as strong an oar as the President does.

NOT SATISFACTORY

Decided Falling Off In Volume of Trade

Increased Demand for Homes on 10 installment Plan—Mortgage Indebtedness Increasing.

The semi-monthly circular of Hawaiian Mercantile Agency & Co. that the conditions of trade from being satisfactory. The falling off in the margin of profit a decided loss in volume. Collections have been harder than ever and to those who hitherto have found difficulty in satisfying creditors this condition extends to outside cities. Merchants are showing increasing reluctance in granting credit. With exceptions the average prices the Stock Exchange have declined since last report. The factor who held on for better prices necessarily feels the loss of funds set up in ventures. There is in new combinations in certain line trade conditions, but signs are pointing the promoters will find it harder to place shares of companies widely known.

The real estate market is hot, and the speculative demand is there. There is an increased demand for the installment plan, and tendency toward a conservative attitude; speculative purchasers have dropped in number. Houses are in demand and rents firm. The mortgage indebtedness of the islands has increased since last report \$65,102.94.

NEW FIRMS.

Sam Wing Kee Co., Wagon, Kula; Harada & Murakami, Kula; Hama-kawa; B. Bergersen, I. N. S. Akana, Honolulu; S. Koi T. Naito, Kamalo, Molokai; Y. L. Maunakea, near King; C. Walton, Maunakea, Nuu-anu street; Yin Chon Beretania, near Maunakea; Akami, Kamalo, Molokai.

CORPORATIONS.

The First American Bank of Hawaii, Limited, Woman's Exchange of Honolulu, Merchants Stevedore Co., Limited, Mid-Pacific Navigation Co., Limited, Home Bakery Co., Limited.

CO-PARTNERSHIPS.

Robertson, Little & Peterson, Honolulu; Kwong Lung Tai & Co., Honolulu; Honokaa Mfg Co., Honokaa; Yet, Sam & Co., Honolulu; Pottemkin & Helms, Hilo; Sam Wo Jan Co., Oahu; Tong Kee Co., Honolulu; Wing Chong Sing Co., Oahu, Honolulu; Soule & Stevens, Hilo; Sing Kee & Co., Wailua, Kauai; Kwong Lee Co., Kakaako, Honolulu; Ho Kee Co., Hea, Koolau-poko; Sin Bok Tong, Honolulu; McCullough & Zwing, Honolulu; Hop Sing Co., Honolulu; Carter & Turner, Honolulu.

WAILUA PLANTATION.

First New Pumping Plant Ready in Two Weeks.

The first new pumping station of the Wailua plantation is rapidly approaching completion and it is expected to be running by the first of the month. Seven artesian wells are connected with this pump alone. Planting for this season will be commenced as soon as this station commences pumping the necessary water.

In sixty days more the second pumping plant which is to be connected with the natural lake or reservoir on the plantation is also expected to be in running order, when still more planting will be done.

In the meantime excavating for still another pumping station is going on.

EXECUTIVE COUNCIL.

Admission Day to be Made a State Function.

At a meeting of the Executive Council yesterday it was decided to celebrate Admission Day, August 12, by declaring the same a public holiday and giving a state reception and ball in the evening at the Executive building which is to be illuminated and decorated for the purpose.

A site for quarters for the officers of the United States Navy who may be stationed here was set apart, in accordance with the application of Commander Merry made some time ago.

The petition of T. R. Mossman for a thirty years' lease of Lot 11 on the Esplanade was read. The Council decided that the rent should be fixed at the upset price of \$900 a year. The lot will probably be offered at auction in the usual way.

THE COMING DISEASE.

Dr. Squilla—What was the matter with that cabdriver you were called to see last night?

Dr. Kallomell—As nearly as I can describe what ails him it is automobiliousness.